

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-526-C - ORDER NO. 91-1087 ✓
DECEMBER 5, 1991

IN RE:	Application of Crews Cabling)	ORDER
	Corporation for a Certificate of)	GRANTING
	Public Convenience and Necessity.)	CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Crews Cabling Corporation (Crews) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a switchless reseller of telecommunications services in the State of South Carolina and for the establishment of rates and charges. Crews' Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Crews to publish a prepared Notice of Filing and in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Crews' Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Crews complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to

Intervene were filed by Southern Bell Telephone & Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate), the South Carolina Telephone Coalition (the Coalition), and Pond Branch Telephone Company, Inc. (Pond Branch).

A hearing was commenced on Tuesday, November 5, 1991, at 11:00 a.m. in the Commission's Hearing Room. The Honorable Henry G. Yonce presided. Mitchell M. Willoughby, Esquire and John F. Beach, Esquire, represented Crews. Carl F. McIntosh, Esquire, represented the Consumer Advocate; Caroline N. Watson, Esquire, represented Southern Bell; and Marsha. A. Ward, General Counsel, represented the Commission Staff. Based upon a stipulation reached by the Company and the intervening telephone utilities, the Coalition and Pond Branch withdrew their participation and Southern Bell did not present its witness.

The Stipulation agreed to by the Applicant and the intervening telephone utilities is as follows:

Crews Cabling Corporation is not seeking to expand upon the authority currently available to resellers in South Carolina. The request of Crews Cabling Corporation is for the following authority:

To provide intrastate, interLATA telecommunications services through the resale of telecommunications services offered by carriers authorized by this Commission and to provide interstate, intraLATA telecommunications services through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Services (FX), and Private Line Services or any other services authorized for resale by the Commission.

Additionally, Crews amended its proposed tariff, original page 2, paragraph I(d) by changing the word "switch" to "services."

Crews presented the testimony of Talmadge M. Crews in support of its application. Mr. Crews explained Crews request for certification to operate as a reseller of interexchange telecommunications services in South Carolina. Mr. Crews explained that the Company was formed for the purpose of providing resold long distance service on an interstate, interLATA and, to the extent authorized by the Commission, intraLATA basis. Crews Cabling intends to offer resold interLATA services, and resold intraLATA services completed over WATS, MTS, private line and foreign exchange lines, as well as all other services approved for resale by the Commission. Crews Cabling also intends to provide both national and international long distance service to its South Carolina customers by utilizing the service offerings and facilities of various local exchange companies and facilities based interexchange carriers certified to render such services in the State of South Carolina. Crews Cabling will operate as a switchless reseller of long distance services and will contract with exchange carriers approved by the Commission to operate in South Carolina for certain switching facilities, where such facilities are determined to be needed and appropriate. Furthermore, it is the intention of Crews Cabling to contract with local exchange companies and others for billing and collection services where such services are needed.

Mr. Crews testified that the Company plans to offer a quality,

value-oriented long distance service to users in South Carolina. Mr. Crews stated that the Company has analyzed its need for revenues to cover expenses and costs and to earn a reasonable profit while still maintaining substantial savings to the subscribers. The Company's rates and charges offered will accomplish all of the foregoing objectives.

Mr. Crews further testified that the Company is fit, willing and able to provide the requested services and will offer a quality, value-oriented long distance service to its customers in South Carolina. The management of Crews Cabling has extensive experience in the provision of telecommunications services to the public in general, and to South Carolina in particular.

After full consideration of the applicable law and of the evidence presented by Crews, the Consumer Advocate, Southern Bell and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

FINDINGS OF FACT

1. Crews is incorporated under the laws of the State of South Carolina.
2. Crews operates as a non-facilities based reseller of interexchange services, and wishes to do so on an interLATA and intraLATA basis in South Carolina to the extent permitted by the Commission.
3. Crews has the experience, capability, and financial resources to provide the services as described in its application.
4. Southern Bell and other local exchange carriers (LEC's)

should be compensated for any unauthorized intraLATA calls completed through Crews' service arrangements.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to Crews to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission.

2. That all intrastate intraLATA calls must be completed over intraLATA WATS, MTS, private and foreign exchange lines or any other service of facility based carriers which have been approved for resale on an intraLATA basis. Any intraLATA calls not completed in this manner would be considered unauthorized traffic and the Company will be required to compensate LEC's for any unauthorized intraLATA calls it carries pursuant to Commission Order No. 86-793 in Docket No. 86-187-C.

3. The Commission adopts a rate design for Crews for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate level with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communication Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). Crews shall file

maximum rate tariffs within 30 days of the date of this Order, and specifically, Crews shall amend its tariff provisions relating to Special Services so that the notice requirements will comport with the Commission's requirements. The fourteen day notice period proposed in the Company's tariff should be modified to comply with the usual notice provisions for special assemblies or new service offerings.

4. Crews shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Crews shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Crews subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1990).

5. Crews shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

6. Crews is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to Crews' resale of services, an end user should be able to access another interexchange carrier or operator

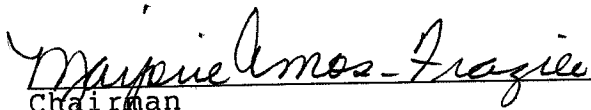
service provider if they so desire.

8. Crews shall resell the services of only those interexchange carriers or LEC's authorized to do business in South Carolina by this Commission. If Crews changes underlying carriers, it shall notify the Commission in writing.

9. Crews shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT
AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE
INVESTMENT (SEE #3 ABOVE).